



## **Background Briefing**

# **JUDICIARY**

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**December 2013**

**The fiscal information in this background briefing is based on data through December 31, 2013.**

# Judicial Branch: Constitutional Mandate

**“The judicial power of the state is vested exclusively in one court of justice which shall be divided into the supreme court, one court of appeals, one trial court of general jurisdiction known as the circuit court, one probate court, and courts of limited jurisdiction that the legislature may establish by two-thirds vote of the members elected to and serving in each house.”**

***Article VI, Section 1***

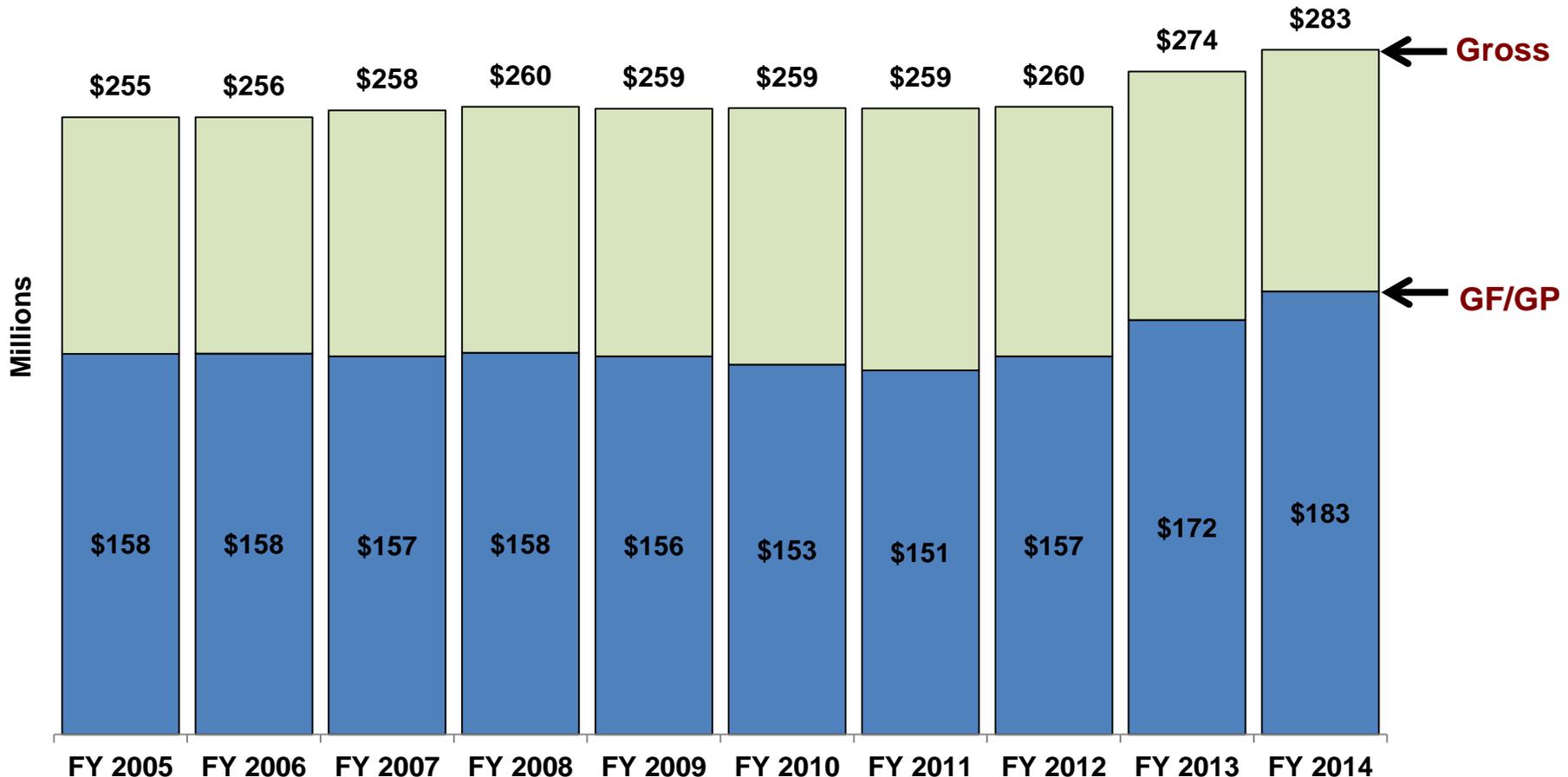
***Constitution of the State of Michigan of 1963***

# Judiciary Budget

- **Funds operations of the Supreme Court and the Court of Appeals**
- **Funds salaries of circuit, district, and probate court judges**
- **Funds a variety of judicial agencies and programs:**
  - **State Court Administrative Office**
  - **Michigan Judicial Institute**
  - **Appellate defender programs**
  - **Drug treatment, mental health, and veterans courts**
  - **Community Dispute Resolution**
  - **Foster Care Review Boards**

# Judiciary: Gross Appropriations

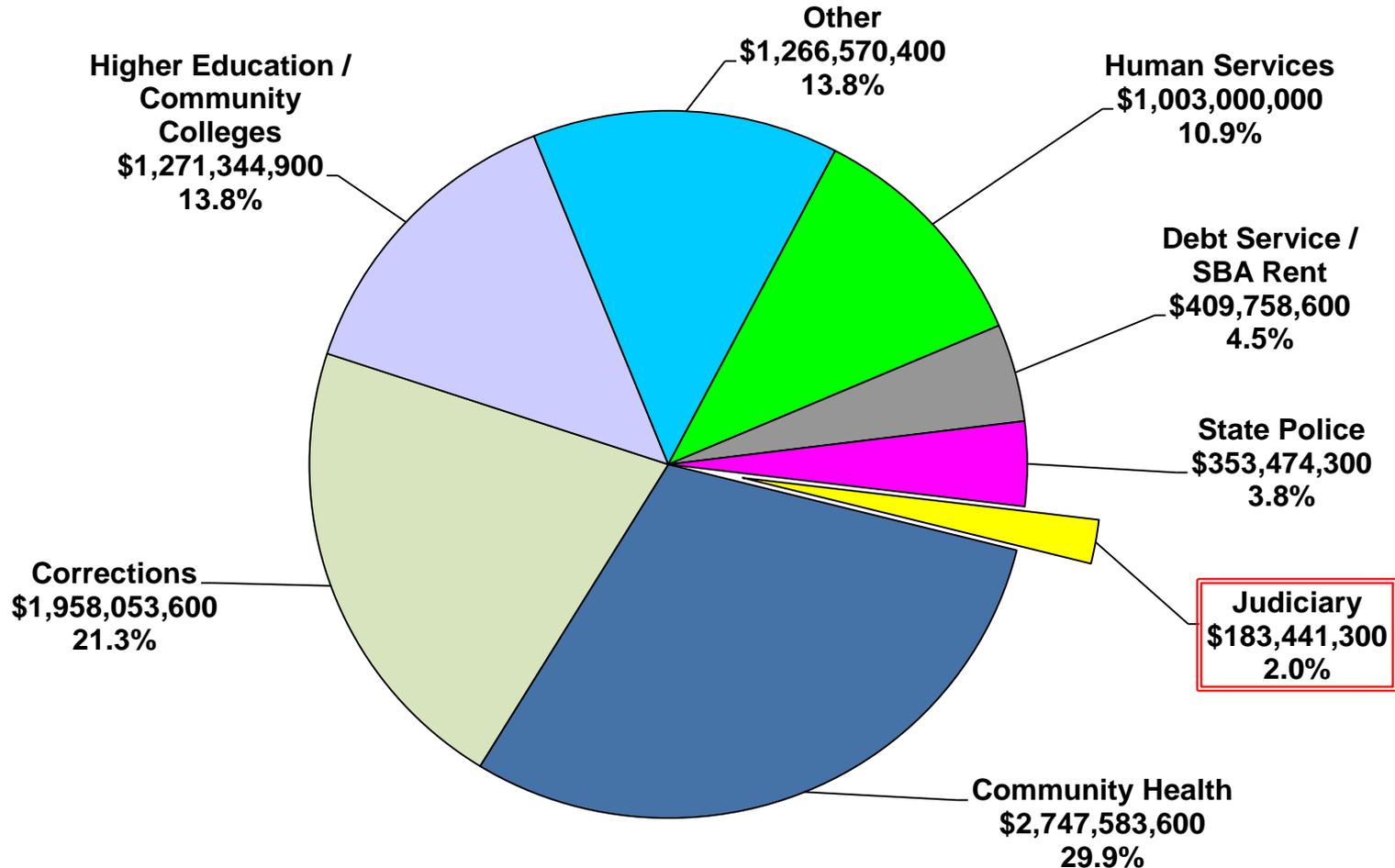
In FY 2014, total Judiciary funding was increased by \$9.0 million Gross (\$11.8 million GF/GP) over the prior year. Increases in FY 2013 and FY 2014 are due primarily to the regionalization and expansion of specialty courts, implementation of a unified case management information system, and implementation of the Swift and Sure Sanctions program. One-time appropriations of \$827,200 Gross (\$636,900 GF/GP) and \$4.5 million Gross (\$4.5 million GF/GP) are included in FY 2013 and FY 2014 respectively.



# Judiciary Share of State GF/GP

Judiciary makes up 2.0% of the total state GF/GP budget

FY 2013-14 GF/GP Total = \$9,193,226,700

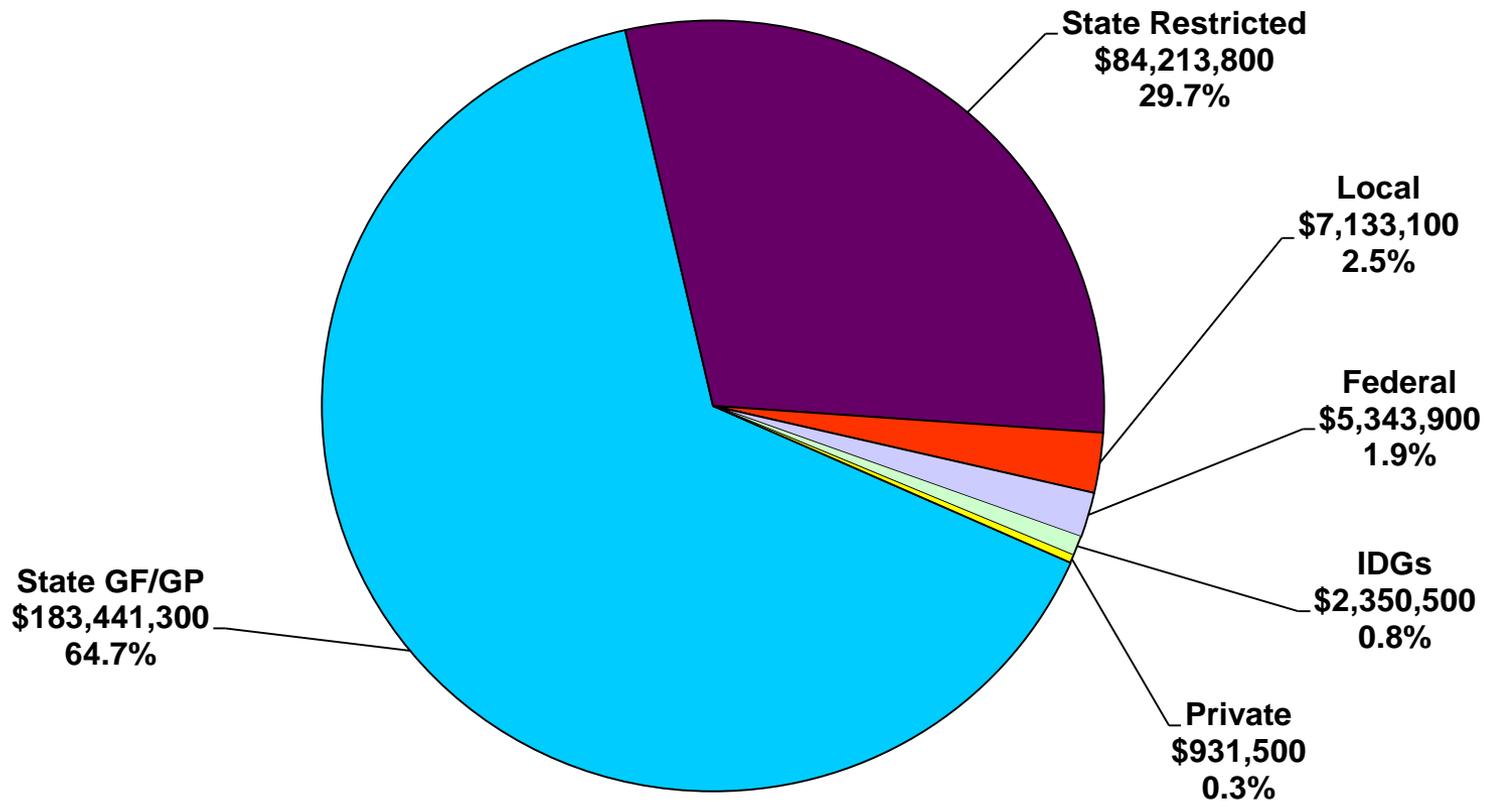


# **SOURCES OF FUNDING**

# Judiciary Funding Sources

State GF/GP and restricted funds are the largest revenue sources in the budget.

FY 2013-14 Judiciary Budget = \$283,414,100



# **DEPARTMENT APPROPRIATIONS**

# Judiciary Appropriations

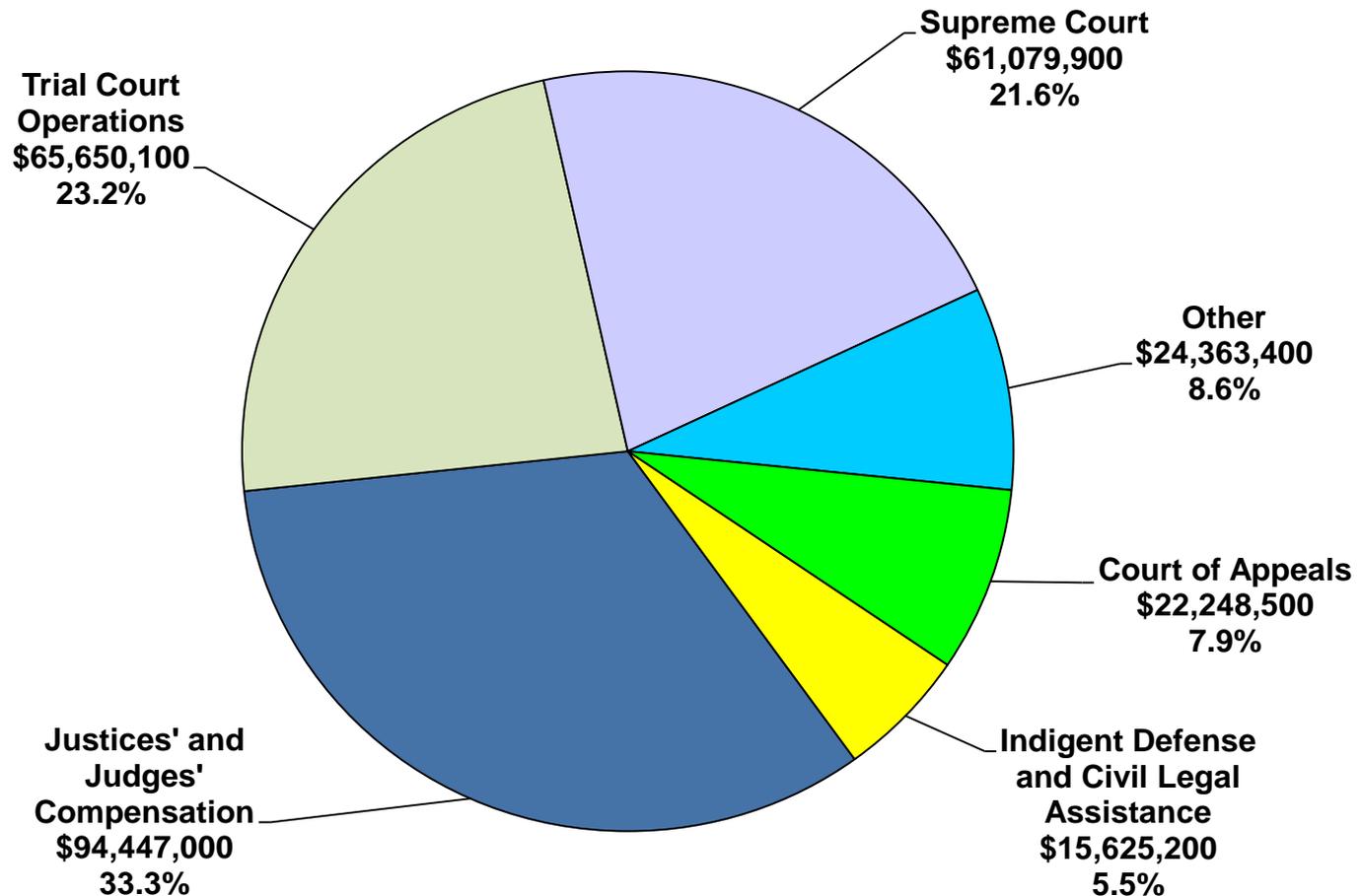
The Judiciary budget is allocated into the following major spending areas:

- Supreme Court
- Court of Appeals
- Trial Court Operations
- Justices' and Judges' Compensation
- Indigent Defense and Civil Legal Assistance
- Other (Judicial Agencies, Branchwide Appropriations, and Grants and Reimbursements to Local Governments)

# Judiciary Appropriations

Justices' and Judges' Compensation is the largest spending component, followed by Trial Court Operations and Supreme Court.

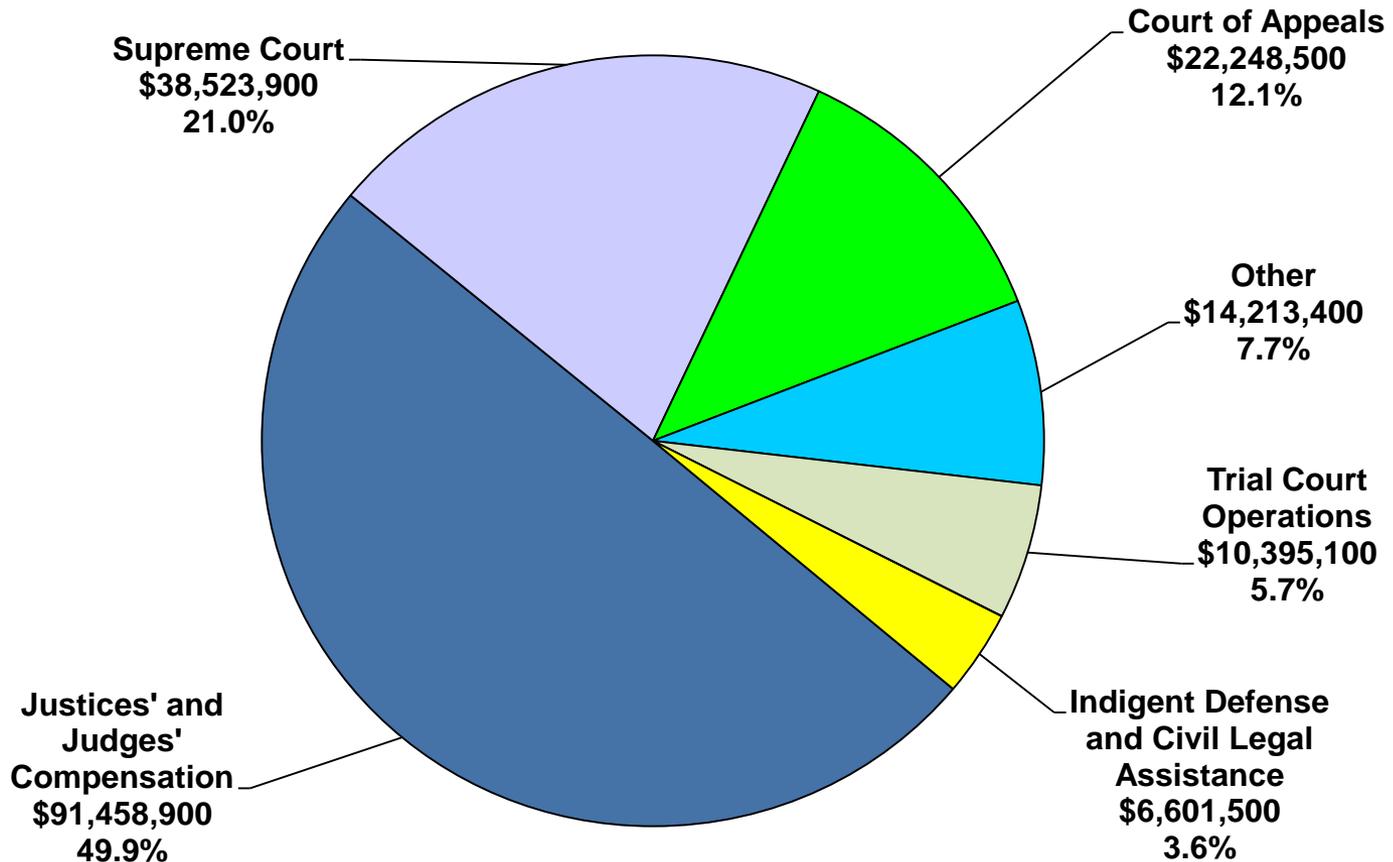
FY 2013-14 Judiciary Total Budget = \$283,414,100



# Judiciary Appropriations

Justices' and Judges' Compensation is the largest GF/GP spending component, followed by Supreme Court and Court of Appeals.

FY 2013-14 Judiciary GF/GP Budget = \$183,441,300



# **MAJOR BUDGET TOPICS**

# Justices' and Judges' Compensation

- **Supreme Court Justices' salaries are set by the State Officers Compensation Commission, as required by the Michigan Constitution**
- **Other judicial salaries are set by the Revised Judicature Act as percentages of supreme court justices' salaries**
- **Circuit and district judges' salaries are paid by the state in two stages:**
  - **Direct payment by the state to the judge**
  - **Payment of the remaining portion by the court funding unit, which is then reimbursed by the state for the full amount**
- **Probate judges' salaries are paid by local funding units, which are then reimbursed by the state for the full amount**

# Judicial Salaries

## Calendar Years 2002 through 2014

<u>Court</u>	<u>% of Supreme Court Salary</u>	<u>Salary</u>
Supreme Court	100	\$164,610
Court of Appeals	92	\$151,441
Circuit and Probate Courts*	85	\$139,919
District Court	84	\$138,272

*\*State reimbursements for part-time probate judges are limited to \$25,750 each.*

# Judicial Resources and Judgeship Eliminations

- **The State Court Administrative Office's 2011 Judicial Resources Recommendations proposed the elimination of 45 judgeships by attrition.**
  - **Judgeships would be eliminated as sitting judges step down or become ineligible for reelection.**
  - **Dates for judgeship elimination range from immediate (current vacancies) to an outside date of 2046.**
  
- **Legislation passed in FY 2012 eliminated a total of 36 judgeships, as well as four Court of Appeals judges (2 were previously vacant).**
  - **Thus far, 11 judgeships have been eliminated.**
  - **Court of Appeals judgeships were filled before effective date, thus savings will not be realized for a few years.**
  
- **Annual savings if all proposed judgeships are eliminated total approximately \$6.3 million per year.**
  - **Savings would not be immediate and would depend on when judgeships are vacated.**

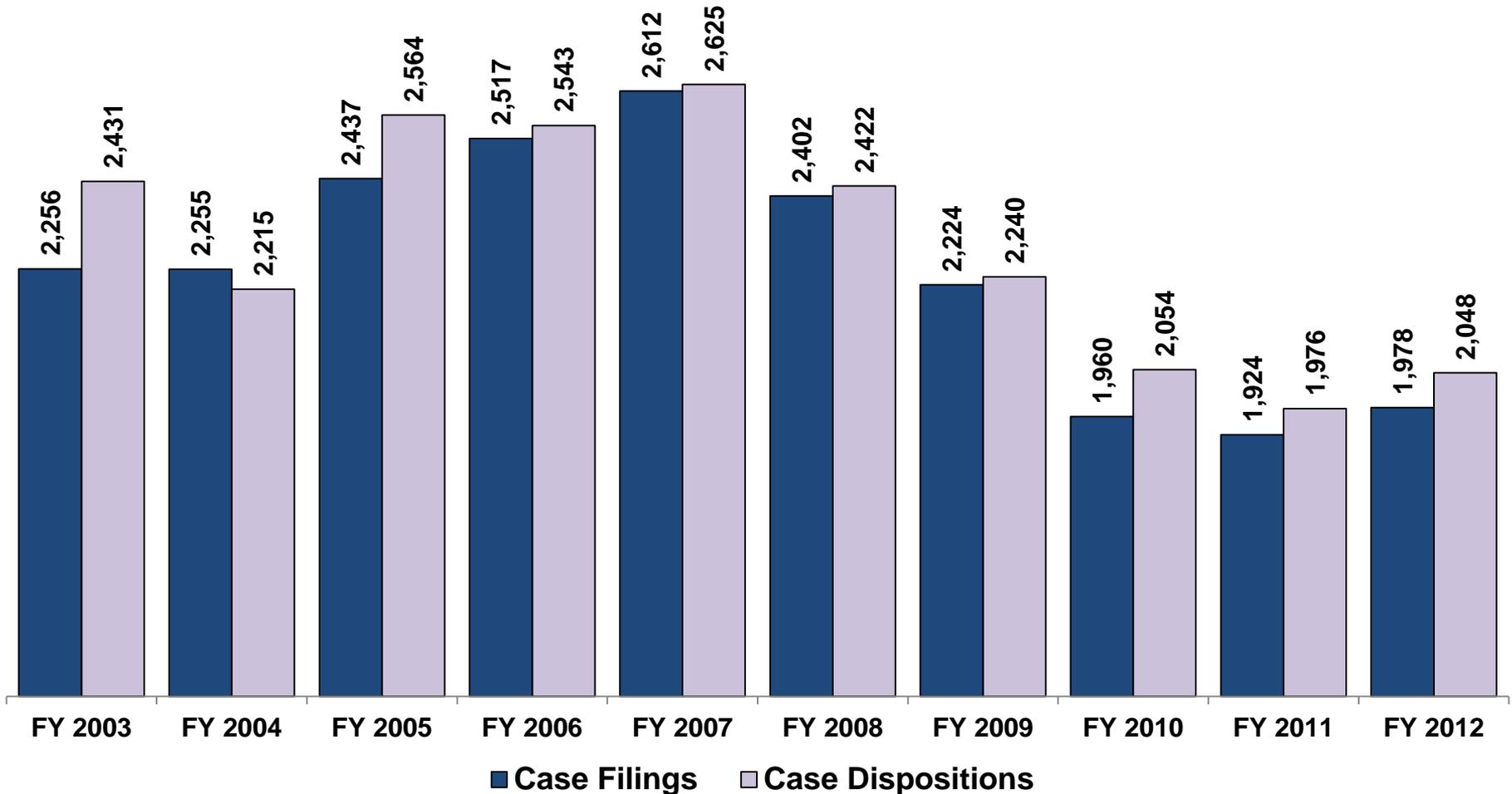
# Supreme Court Operations Appropriations

- ***Supreme Court Administration: \$13.1 million Gross***  
Supreme Court operations and related administrative functions, including Supreme Court Commissioners, Clerk of the Court, Crier's Office, Court Reporter, Board of Law Examiners, and offices of finance and human resources
- ***State Court Administrative Office: \$11.6 million Gross***  
Administrative oversight of and technical assistance to trial court judges and staff
- ***Trial Court Automation Support: \$7.1 million Gross***  
Advises and assists trial courts and judicial administrative agencies in various efforts, including automated case flow management and record-keeping systems
- ***Judicial Information Systems: \$3.0 million Gross***  
Automated information systems and related functions for all Supreme Court and state judicial agencies
- ***Michigan Judicial Institute: \$2.1 million Gross***  
Continuing education and training for judges and court personnel

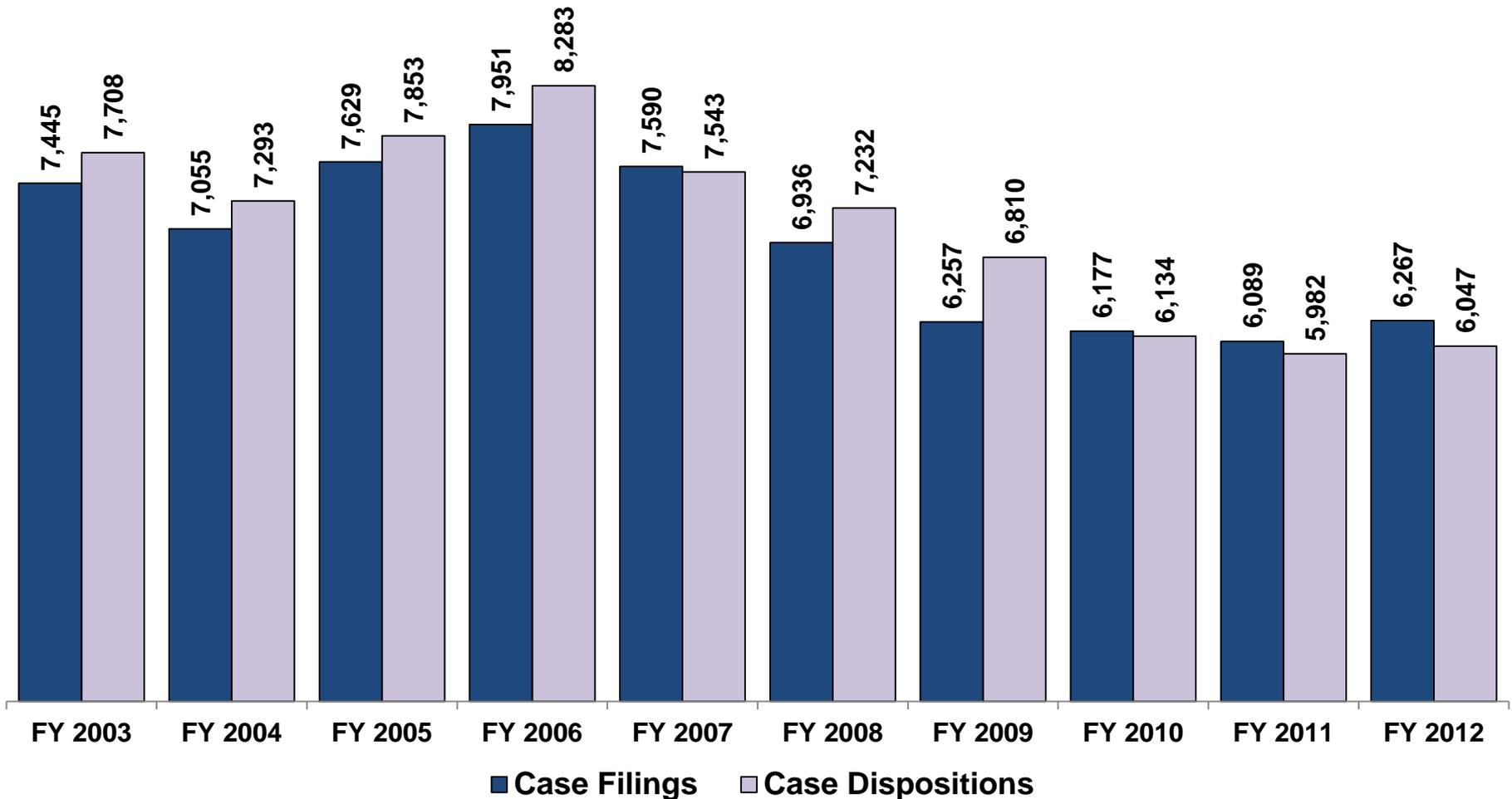
# Other Operations Appropriations

- **Statewide court operations appropriations:**
  - ***Court of Appeals:* \$22.2 million Gross**  
Support for the 28-member Court of Appeals; Clerk’s Office, Research Division, Information Systems Department, Finance Office, and Security Department
  - ***Branchwide Appropriations:* \$8.6 million Gross**  
Building occupancy charges, rent, and security costs
  
- **Judicial agency operations:**
  - ***Foster Care Review Boards:* \$1.3 million Gross**  
Review abuse and neglect cases to assist the court and children’s agencies in assuring prompt and permanent child placement
  - ***Judicial Tenure Commission:* \$1.1 million Gross**  
Investigates and recommends disciplinary action regarding judicial misconduct
  - ***State Appellate Defender’s Office:* \$6.6 million Gross**  
Provides appellate counsel for indigent individuals
  - ***Michigan Appellate Assigned Counsel System:* \$1.0 million Gross**  
Provides continuing education and maintains a statewide roster of attorneys able to serve as criminal appellate defense counsel for indigents

# Supreme Court Case Filings and Case Dispositions



# Court of Appeals Case Filings and Case Dispositions



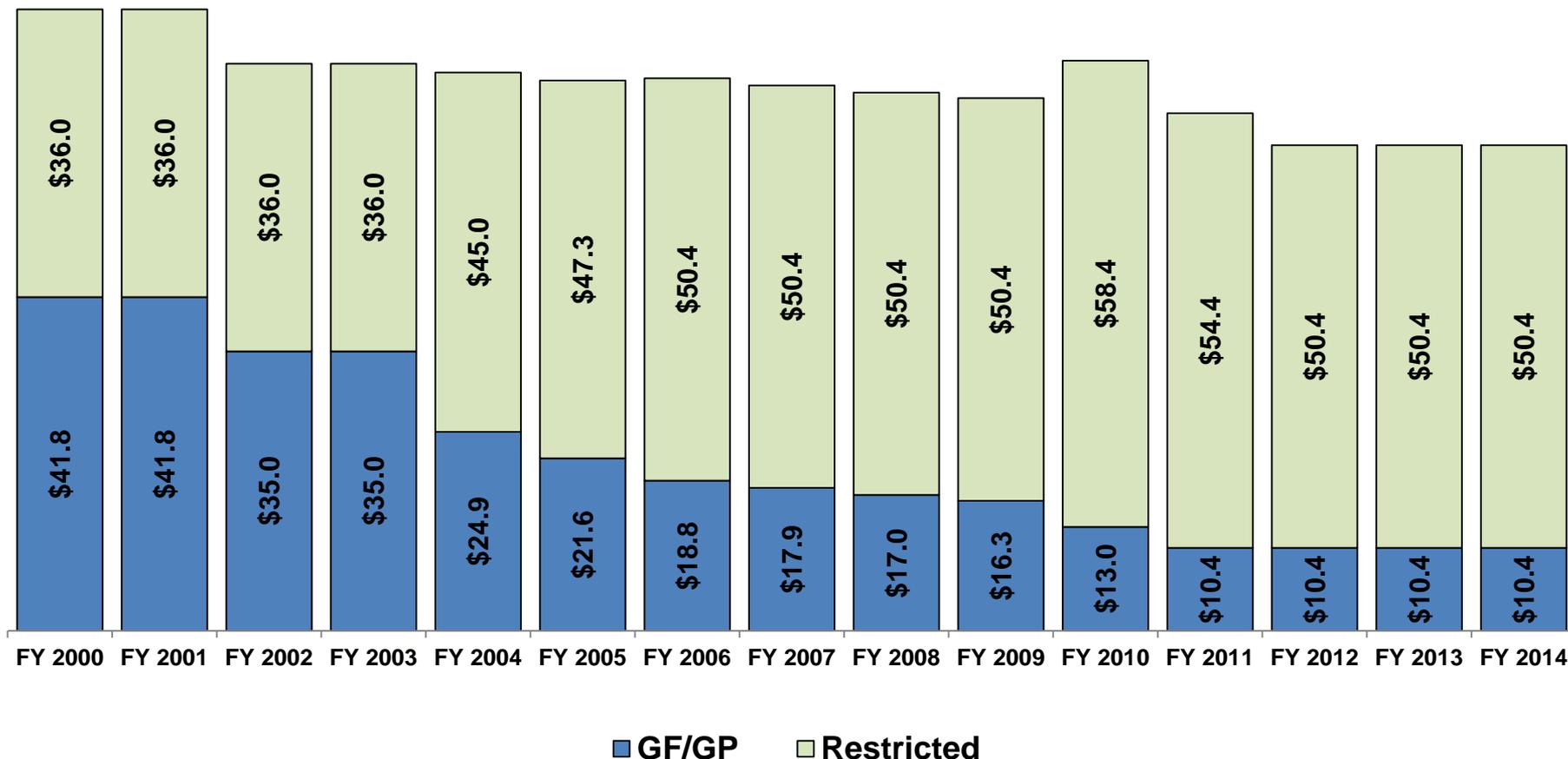
# Grants

- **\$107.6 million—approximately 38% of the Judiciary budget—is appropriated for various grant programs and reimbursements to local units.**
- **Primary among these is the Court Equity Fund Reimbursements program, \$60.8 million, which supports reimbursements to local trial courts.**
- **The Court Equity Fund assists counties with trial court operational expenses.**
- **Funding from the Court Equity Fund is combined with GF/GP funding and is distributed to counties quarterly under a statutory formula that recognizes circuit and probate court caseloads and the number of judgeships allocated to each county.**

# Court Equity Fund Reimbursement Appropriations

Restricted revenue has accounted for an increasing proportion of court equity funding.

Court Equity Fund Reimbursement Appropriations  
(in Millions)



# Restricted Revenue Sources

- **Many parts of the Judiciary budget rely on restricted revenue sources – typically collected from fees from court cases, criminal penalties, and civil infractions (including traffic citations).**
- **However, declining caseloads have resulted in a reduction in the amount of revenue collected.**
- **This lower revenue affects a variety of programs, including Court Equity Fund Reimbursements, Drug Treatment Courts, Community Dispute Resolution, and Indigent Civil Legal Assistance.**
- **Prior to FY 2013, Court of Appeals filing and motion revenue was used to fund Court of Appeals operations, but was replaced with GF/GP in FY 2013, with the revenue collected being moved to support the Swift and Sure Sanctions program.**

# Revenue for Court Equity Fund

- **Justice System Fund: \$10.8 million for FY 2012**
  - Statutory allocation of 24.33% of amount remaining after required disbursements to State Police, Corrections, Human Services, Legislative Retirement, and Treasury
- **Civil Filing Fee Fund: \$3.0 million for FY 2012**
  - Statutory allocation of 8.2% of fund to Court Equity Fund
- **Court Fee Fund: \$2.2 million for FY 2012**
  - Receives court fee revenue in excess of that required to meet actuarial needs of the judges retirement system
  - Contribution to Court Equity Fund statutorily capped at \$2.2 million
- **State Court Fund: \$23.9 million for FY 2012**
  - Receives revenue from the Justice System and Civil Filing Fee Funds
  - By statute, \$1.6 million plus 76% of the balance of the proceeds of the State Court Fund go to the Court Equity Fund
- **Juror Compensation Reimbursement Fund: \$4.1 million for FY 2012**
  - Receives court fee revenue with the primary objective of reimbursing a portion of juror compensations paid by local courts

# Grant Programs

- **Drug Treatment Courts: \$9.6 million Gross**
  - Operate to reduce criminal activity and to rehabilitate offenders diagnosed with substance abuse disorders through a combination of therapeutic services and judicial supervision
  - Programs offer an alternative to imprisonment for non-violent criminal offenders
  - Currently, there are 43 adult drug treatment courts, 31 DWI courts, 16 juvenile drug treatment courts, 11 family dependency treatment courts, and 5 tribal drug treatment courts operating in the state
  
- **Mental Health Courts: \$4.1 million Gross**
  - Target offenders who have diagnosed severe and persistent mental illnesses and offer them the opportunity to participate in a court-based treatment program to address their mental illness instead of sentencing them to lengthy jail or prison terms
  - Includes intense judicial oversight, treatment through local community mental health service providers, drug testing when appropriate, referrals to community services, enrollment in educational classes and certificate programs, transportation assistance, and assistance in obtaining employment
  - Currently, there are 13 adult and 3 juvenile mental health courts operating in the state

# Grant Programs

- **Veterans Courts: \$500,000 Gross**
  - Help to address the particular needs of military veterans, and sometimes active-duty personnel, who become involved with the court system
  - Veterans courts use a hybrid integration of drug treatment court and mental health court principles
  - Promote sobriety, recovery, and stability through a coordinated response that involves collaboration with the United States Department of Veterans Affairs
  - Currently, there are 13 veterans treatment courts operating in the state
  
- **Community Court Pilot Project: \$20,000 Gross**
  - Neighborhood-focused courts that harness the power of the justice system to address local problems
  - Combine conventional punishments with alternative sanctions and on-site treatment and training; community mediation, job training and placement, drug treatment, and homeless outreach
  - Sentencing of low-level offenders to community service

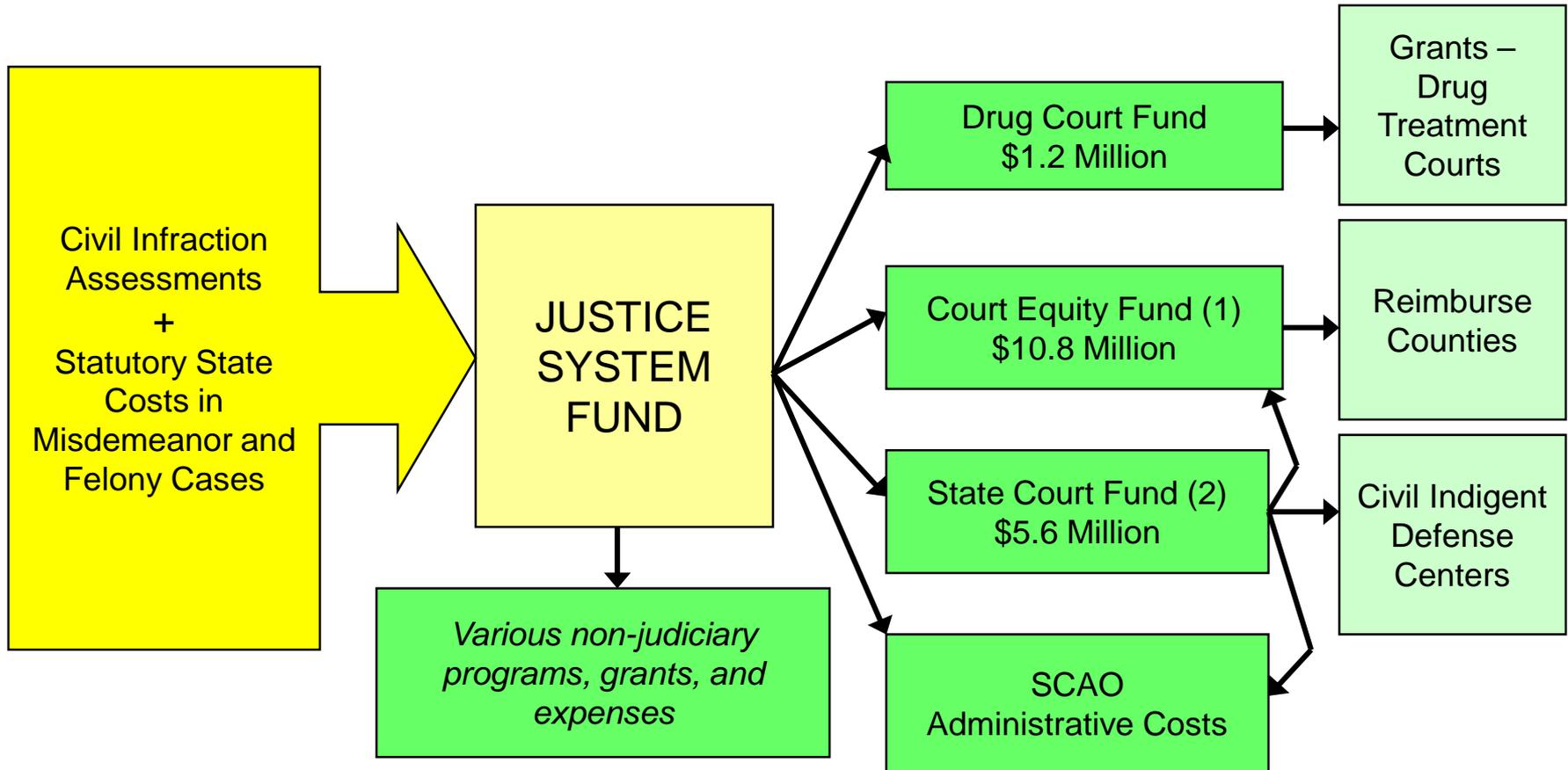
# Grant Programs

- ***Indigent Civil Legal Assistance:*** \$7.9 million Gross distributed by the Michigan State Bar Foundation to providers of indigent legal services
- ***Juror Compensation Reimbursement:*** \$6.6 million Gross to reimburse local units for juror compensation costs
- ***Judicial Technology Improvement:*** \$4.8 million Gross for development and on-going support for an integrated statewide judicial information system and other technology innovations
- ***Drunk Driving and Drug Case-Flow Programs:*** \$3.6 million Gross for distribution to trial courts to assist with complying with requirements for timely management and disposition of drunk driving and specific drug-related cases
- ***Community Dispute Resolution Program:*** \$2.4 million Gross for administration of the program and distribution of grants to local dispute resolution centers, which provide mediation and other forms of voluntary dispute resolution as an alternative to the judicial process
- ***Trial Court Performance:*** \$1.0 million Gross one-time appropriation for creating incentives which encourage positive change, adoption of best practices, and high performance in the state's trial courts

# Swift and Sure Sanctions Program

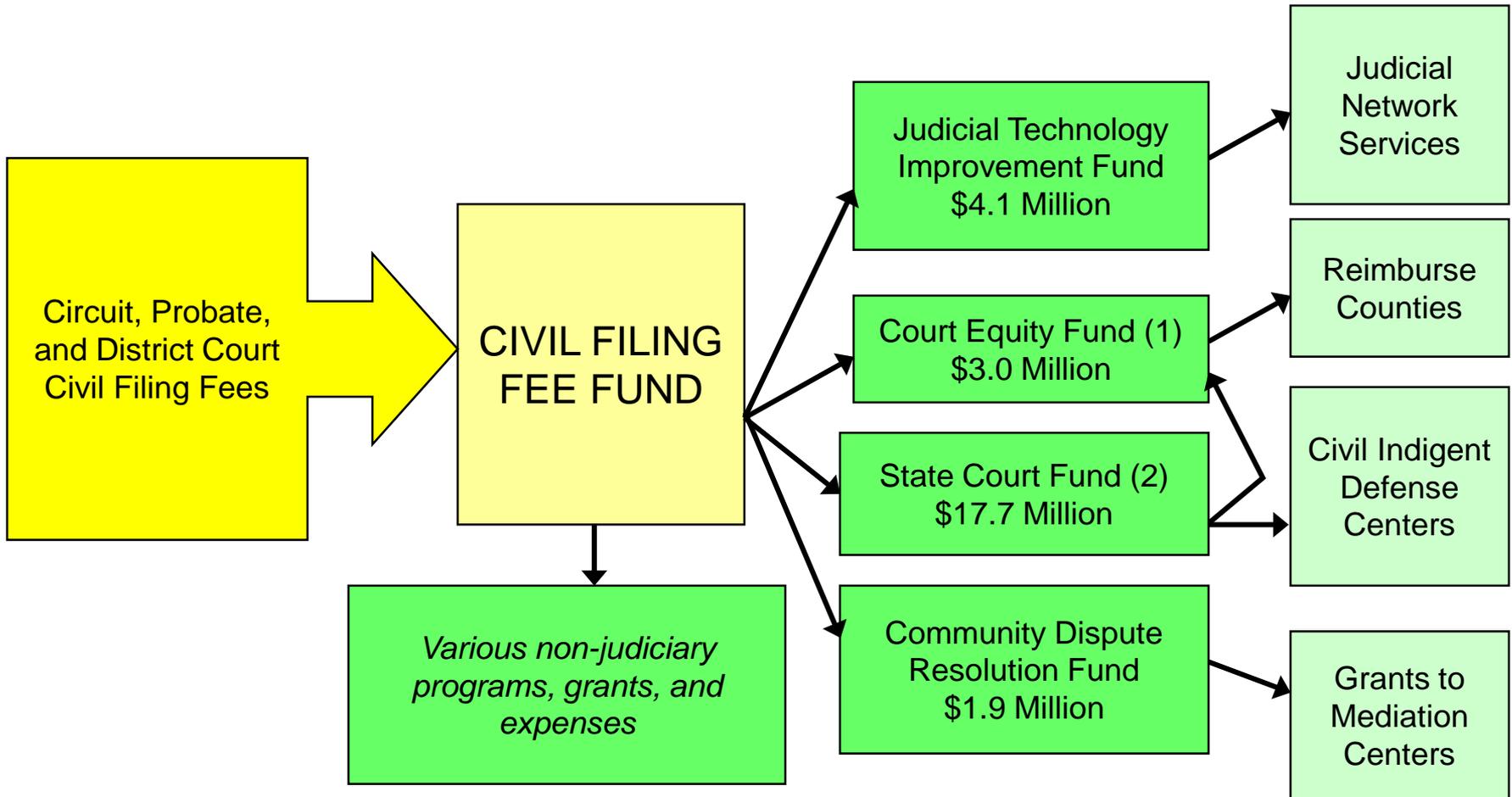
- **Grants were first implemented in FY 2012; \$1.0 million was received from the Department of Corrections for a pilot program.**
- **Funding was increased to \$6.0 million in FY 2013.**
- **Funding is used to provide a high-intensity supervision program designed as an alternative to traditional probation, which provides close monitoring and swift sanctions in the event of violations. The program focuses on high-risk, felony offenders.**
- **In FY 2013, twelve circuit courts in the following counties received grants under the program:**
  - **Allegan**
  - **Barry**
  - **Bay**
  - **Berrien**
  - **Cass**
  - **Clinton**
  - **Eaton**
  - **Ingham**
  - **Isabella**
  - **Kalamazoo**
  - **Livingston**
  - **Wayne**

# Justice System Fund FY 2012 Judiciary Budget



- (1) Justice System Fund allocation of \$10.8 million is combined with revenue from the State Court Fund (\$23.9 million), Civil Filing Fee Fund (\$3.0 million), Court Fee Fund (\$2.2 million), and General Fund (\$10.4 million), resulting in a total FY 2012 Court Equity Fund appropriation of \$50.3 million.
- (2) Justice System Fund allocation of \$5.6 million is combined with revenue from the Civil Filing Fee Fund (\$17.7 million), transmittals from trial courts (\$3.8 million), and service fees on FOC payments (\$3.8 million), resulting in a total FY 2012 State Court Fund appropriation of \$30.9 million.

# Civil Filing Fee Fund FY 2012 Judiciary Budget



- (1) Civil Filing Fee Fund allocation of \$3.0 million is combined with revenue from the Justice System Fund (\$10.8 million), State Court Fund (\$23.9 million), Court Fee Fund (\$2.2 million), and General Fund (\$10.4 million), resulting in a total FY 2012 Court Equity Fund appropriation of \$50.3 million.
- (2) Civil Filing Fee Fund allocation of \$17.7 million is combined with revenue from the Justice System Fund (\$5.6 million), transmittals from trial courts (\$3.8 million), and service fees on FOC payments (\$3.8 million), resulting in a total FY 2012 State Court Fund appropriation of \$30.9 million.

**For more information about the  
Judiciary budget, contact:**

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